

VZCZCXRO0107
PP RUEHMA RUEHPA
DE RUEHDK #1522 2041555
ZNR UUUUU ZZH
P 231555Z JUL 07
FM AMEMBASSY DAKAR
TO RUEHC/SECSTATE WASHDC PRIORITY 8838
INFO RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHLMC/MCC WASHDC PRIORITY
RUEHZK/ECOWAS COLLECTIVE

UNCLAS DAKAR 001522

SIPDIS

SIPDIS
SENSITIVE

DEPARTMENT FOR AF/W AND AF/EP
TREASURY FOR DO/GCHRISTOPOLUS

REF: DAKAR 1454

E.O. 12958: N/A

TAGS: [EFIN](#) [ECON](#) [PGOV](#) [PREL](#) [SG](#)

SUBJECT: THE COST OF A NEW GOVERNMENT: CARS, HOTEL, AND A NEW SENATE

1. (SBU) Summary. A June 30 report in the daily "Wal Fadjri" that the Government of Senegal (GOS) was planning to spend CFA 2.250 billion (USD 4.5 million) to purchase Chinese "Hover" brand SUVs for the 150 newly elected Deputies, was confirmed by reliable sources at the Ministry of Finance. The President of the National Assembly, Macky Sall, has already signed the purchase order from a local dealership representing the Chinese auto company. On July 4, The National Assembly passed a bill to speed up the creation of the new 100-seat Senate. Further, the GOS has also plans to build a new "five-star" hotel for the Deputies by December 2008. The opposition press and public are asking where the money will come from for these extra expenditures and if the Wade is serious about fighting poverty and improving the country's economic performance. Moreover, rumors persist that Wade has ordered a new Presidential plane. End Summary.

GOS TO SPOIL THE DEPUTIES AND SENATORS

2. (U) While Senegal is trying to sort out a CFA 22 billion (USD 44 million) budget deficit, is in arrears on payments to many suppliers and contractors, and is considering new subsidies for basic food items, the press and opposition are deriding the purchase of new cars for MPs to "facilitate" their activities around the country. Not only will this purchase gouge USD 4.5 million from an already strained budget but the deal also includes a monthly 1,000-liter gasoline allowance to members of the National Assembly Boards, worth approximately USD 632.88 at current retail prices. For many Deputies, this will be their second luxury vehicle in four years. In 2003, the GOS purchased the then 120 MPs Mitsubishi "Pajero" 4WDs at a cost of CFA 2.640 billion (USD 5.280 million). While in session, the Deputies are housed, at no cost, in a hotel and the GOS is now reportedly planning to build a new "five-star" version at an estimated cost of CFA 10 billion (USD 20 million).

3. (U) The GOS is about to re-establish a 100-seat Senate, 65 of whom will be directly appointed by Wade and the other 35 will be elected by an electoral college of 15,000 members consisting of the members of the parliament and of the regional and local councils (largely dominated by Wade's PDS party). The Senators compensation package includes: new cars, a monthly gasoline allowance and a monthly salary of at least CFA 1 million (USD 2000).

A STRONG REACTION - BUT NO IMPACT

4. (SBU) While criticizing the PDS for purchasing new cars without any public debate, the press and opposition party leaders are questioning how the GOS can afford all these perks for a National Assembly with a reputation for nonperformance. Even PDS members cannot help but note the contrast between this pampering of Wade's political supporters and recent campaign promises to seriously

address Senegal's pressing development needs. Though these perks may facilitate the electoral strategy of the PDS and help maximize the party's control over Senegal's legislative branch, many commentators have questioned whether the "ruling class" standard of living is attuned to a country whose 2006 national per capita income was USD 550. They argue that scarce public funds could be better spent on higher priority areas rather than creating jobs and benefits for the political class. When the news of the vehicles purchase was first reported, the Senegalese Consumer Association (ASCOSSEN) marched in protest at this action in the face of the high cost of living and the increasing prices for basic commodities.

COMMENT

15. (SBU) This fiscal crisis is compounded by recent reports that over the past two years the opaque "Presidency" budget was secretly used to purchase a new Airbus worth CFA 50 billion (USD 100 million) for a presidential jet. The political opposition is publicly outraged by the PDS's manipulation of the budget and the "man on the street" appears ready to push back: a government which can purchase new fancy cars and build new hotel for the Deputies, enlarge the national assembly, and create a Senate should be able to give "him" more as well. This is one reason why the Minister of Commerce decided not to attend the July 8-19 AGOA Forum in Accra and concentrate on new subsidies for rice, bread, milk, and gasoline (Reftel). End Comment.

16. (U) Visit Embassy Dakar's Intranet site at:
<http://dakar.state.gov/htdocs/section/econSection.aspx> and Embassy
Dakar's SIPRNET Web site at <http://www.state.sgov.gov/p/af/dakar>

Smith